

#### REMARKS

Reconsideration and allowance of this application are respectfully requested in light of the above amendments and the following remarks.

The features of claims 2, 3, and 24 have been integrated into claim 1. Claims 2, 3, and 24 have been canceled. Claims 4 and 16-21 have been amended to depend from claim 1, and claim 25 has been amended to depend from claim 23. Claim 26 has been amended to correct a typographical error and to delete a previously recited limitation. The amendment of claim 26 is deemed to be non-narrowing; therefore, no estoppel should be deemed to attach thereto.

Claims 1-43 were rejected, under 35 USC §102(e), as being anticipated by Freeny Jr. (US 6,970,850). To the extent these rejections may be deemed applicable to the amended claims, the Applicants respectfully traverse based on the points set forth below.

Independent claim 26 defines a method for reducing financial transaction risk that: (1) compares financial transactions received from one or more point of sales terminals to one or more customer preferences, (2) sends notifications to a customer if the financial transactions exceed the one or more customer preferences, and (3) requests authorization of the customer if

the financial transactions exceed the one or more customer preferences.

It is submitted that Freeny does not disclose (or suggest) the claimed feature of requesting authorization from a customer in the event financial transactions exceed one or more customer preferences.

By contrast to the above-noted claimed feature, Freeny discloses, in Fig. 1, a proximity service provider system (PSPS) having a plurality of proximity service systems 3 (e.g., POS stations, ATMs, gas pumps etc.), a plurality of users 15 of these proximity services, a plurality of owners 10 of the proximity services, a plurality of maintenance operators 20 of the proximity services, financial services 40, and a PSPS website 30. The users 15, owners 10, operators 20, and financial services 40 are provided with a suitable computer system capable of communicating with the PSPS website 30. The users 15, owners 10, operators 20, financial services 40, and proximity service systems 3 are connected to a communications network 5 through which they access the PSPS website 30 (see Freeny col. 10, lines 1-47).

In Freeny, a user 15 can connect to the PSPS website 30 to sign up for a number of proximity services that are provided by the system or an existing user 15 can connect to the PSPS website

30 by entering a password so as to modify existing service selections. A new user 15, once connected, selects the desired proximity service systems 3, chooses a payment service 320, and, once approved by the payment service provider, the user 15 is provided a password for reentering the PSPS website 30. In the case where the PSPS website 30 owner guarantees payment to the proximity service owners 10, the user 15 also receives a cyber card code to be presented to a proximity service system 3 for local authentication so as to access the proximity service system 3 and proximity service (see col. 6 lines 34-55, and col. 11, line 53, through col. 14, line 24).

In Freeny, when a user 15 with a password reenters the PSPS website 30, he enters the previously provided password via a communications link and access is granted by the PSPS website 30 if the password is valid. Once access is granted, the user 15 can access his proximity service data, service payment choices, and request reports from his private database (see col. 12, lines 33-45).

In Freeny, the user 15 (or PSPS website 30 owner) can put limits on the account and the user cyber card code becomes invalid when received services exceed predetermined amounts. Also, the user 15 and owner are automatically notified and a new cyber card

code needs to be generated for the user 15 (see col. 5, line 66, through col. 6, line 10).

However, the Applicants note that Freeny does not disclose (or suggest) requesting authorization of a customer if financial transactions exceed one or more customer preferences, as recited in claim 26. Claim 24 previously recited this feature, which has now been integrated within base claim 1.

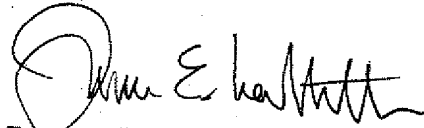
Accordingly, the Applicants respectfully submit that Freeny does not disclose or suggest the subject matter of claims 1 and 26. Therefore, allowance of claims 1 and 26 and all claims dependent therefrom is warranted.

In view of the above, it is submitted that this application is in condition for allowance and a notice to that effect is respectfully solicited.

If any issues remain which may best be resolved through a telephone communication, the Examiner is requested to telephone

the undersigned at the local Washington, D.C. telephone number listed below.

Respectfully submitted,



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